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Ministry of
Provincial Revenue

SERVICE PLAN
2005/06 – 2007/08

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Table of Contents

Message from the Minister and Accountability Statement 3

Ministry Overview and Core Business Areas 5

Resource Summary 6

Vision, Mission and Values 7

Goals, Objectives, Strategies and Results 8

Related Initiatives and Planning Processes 19

Appendix

Glossary 20

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Message from the Minister and Accountability Statement

The Ministry of Provincial Revenue provides a central service to the Province of British Columbia for revenue and debt administration. The revenues collected by the ministry pay for vital government programs such as health care, education and transportation.

The ministry is committed to providing excellent customer service. Earlier this year, we introduced a new *Taxpayer Fairness and Service Code*. This Code details a taxpayer's right to timely customer service, courtesy, respect and confidentiality in all their dealings with us. Developed in partnership with small business organizations across the province, the Code embraces the culture of excellence that already exists among ministry staff. I would like to thank all parties who have worked with us on initiatives to improve our service delivery to British Columbians.

I am pleased with the advances the ministry is making in consolidating and improving revenue and debt collection. The ministry's partnership with a Canadian private sector firm will revolutionize revenue management across government. This partnership brings new opportunities for innovation and more responsibility for the ministry through the transfer of revenue management functions from other ministries. The end result: enhanced customer service, streamlined and simplified business processes, and an improvement in the total amount of revenue collected for all British Columbians.

The 2005/06 – 2007/08 Ministry of Provincial Revenue Service Plan was prepared under my direction in accordance with the *Budget Transparency and Accountability Act*. I am accountable for the basis on which the plan has been prepared. All material fiscal assumptions and policy decisions as of January 31, 2005, have been considered in preparing the plan and I am accountable for achieving its specific objectives.

Additionally, under the *Balanced Budget and Ministerial Accountability Act*, I am accountable for earning $225.6 million in gross revenue from audit and revenue compliance related activity in respect of revenues payable under enactments administered by the Minister of Provincial Revenue.

Service Plans are important tools in guiding ministry decisions and communicating government priorities to British Columbians. I am pleased to present this plan on behalf of the Ministry of Provincial Revenue, and I look forward to the accomplishments it will bring over the next three years.

Honourable Rick Thorpe
Minister of Provincial Revenue

Rick.Thorpe@gems2.gov.bc.ca

January 30, 2005

Ministry Overview and Core Business Areas

The Ministry of Provincial Revenue provides a central service to the Province of British Columbia for revenue and debt administration. The ministry is committed to providing these services in a fair, equitable and timely manner. As well, the ministry represents British Columbia in its relationship with the Canada Revenue Agency[1] and the Canada Border Services Agency with respect to the taxation statutes they administer on behalf of the Province. The ministry also collects taxes for other agencies such as the Greater Vancouver Transportation Authority and local governments.

The revenues administered by the ministry, estimated at $17 billion in 2004/05 or almost 60 per cent of all revenues received by the Province, support the provision of vital government programs such as health care, education and social services.

In late 2004, the ministry partnered with a private sector firm for the delivery of a consolidated revenue management system[2]. Over the next two years, the focus will be on the integration and streamlining of ministry responsibilities associated with revenue services, including customer service, account management, billing, payment processing and non-tax collections. Following that, up to 40 additional revenue systems across government will be consolidated into this new centralized system.

In response to the changing workplace resulting from this partnership, the ministry has evaluated and reorganized its structure to better support its new work processes. The ministry relies on its three core business areas to implement its strategic direction and achieve its goals and objectives.

1. Revenue Programs

Revenue Programs is responsible for the administration of tax and natural resource revenues for the province. This business area provides a single point of accountability for service delivery for each of the tax statutes it administers. It promotes voluntary compliance with tax obligations through quality customer service, education and compliance programs.

2. Revenue Services

Revenue Services is responsible for providing revenue and debt administration and management services for the ministry and its customers. This includes account, bill, pay, collect and other revenue management services provided through a combination of in-house services, and a private sector partner which is managed through the ministry's Alliance Management Office.

3. Executive and Support Services

Executive and Support Services consists of the Minister's Office, Deputy Minister's Office, Strategic Initiatives and Administration Division, Policy and Legislation Branch, and Appeals and Litigation Branch. Key programs and services focus on the effective and efficient provision of corporate functions that assist the ministry in achieving its goals and objectives.

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[1] View the Summary of the British Columbia/Canada Revenue Agency Work Plan online at http://www.rev.gov.bc.ca/bc_cra_work_plan_summary.pdf.

[2] View the Revenue Management Project Summary Report online at http://www.rev.gov.bc.ca/rmp_summary_report.pdf.

Resource Summary

The Resource Summary provides estimated expenditures by core business area. Expenditures of the Minister's Office, Deputy Minister's Office, Strategic Initiatives and Administration Division, Policy and Legislation Branch and Appeals and Litigation Branch are included in the Executive and Support Services business area.

Core Business Areas	2004/05 Restated Estimates[1]	2005/06 Estimates	2006/07 Plan	2007/08 Plan
Operating Expenses ($000)				
Revenue Programs				
Gross	44,979	44,979	44,979	44,979
Recoveries	(26,609)	(26,609)	(26,609)	(26,609)
Net	18,370	18,370	18,370	18,370
Revenue Services				
Gross	47,979	52,079	61,158	68,989
Recoveries	(39,502)	(43,616)	(52,695)	(60,526)
Net	8,477	8,463	8,463	8,463
Executive and Support Services				
Minister's Office	430	430	430	430
Corporate Services				
Gross	45,286	37,497	37,497	37,497
Recoveries	(30,429)	(22,640)	(22,640)	(22,640)
Subtotal Net	14,857	14,857	14,857	14,857
Net	15,287	15,287	15,287	15,287
Total Gross	138,674	134,985	144,064	151,895
Total Recoveries	(96,540)	(92,865)	(101,944)	(109,775)
Total Net	**42,134**	**42,120**	**42,120**	**42,120**
Full-time Equivalents (Direct FTEs)				
Revenue Programs	526	526	526	526
Revenue Services	348	131	131	131
Executive and Support Services	180	180	180	180
Total	**1,054**	**837**	**837**	**837**
Ministry Capital Expenditures (Consolidated Revenue Fund) ($000)				
Revenue Services	0	21,348	1,134	0
Executive and Support Services	13,297	13,335	11,888	12,002
Total	**13,297**	**34,683**	**13,022**	**12,002**

[1] Amounts have been restated, for comparative purposes only, to be consistent with Schedule A of the *2005/06 Estimates*.

Vision, Mission and Values

The ministry's vision is to be the centre of excellence for revenue and debt collection in government.

Mission

The ministry's mission is to provide fair, efficient and equitable revenue and debt collection that supports public services to meet the needs of British Columbians.

Values

The ministry is responsible for collecting the revenue, taxes and debt that pay for important government programs such as education, health care and social services. To fulfill this responsibility, the ministry depends on the strengths, skills and commitment of its employees, operating in a supportive and innovative learning environment. The ministry's values and philosophy guide the realization of ministry goals, and the organization and its employees in conducting the business of the ministry. These values are reflected in the ministry's *Taxpayer Fairness and Service Code*. The Code formalizes the ministry's commitment to partnerships, high quality service, streamlining and simplifying its business processes and improving the way the ministry interacts with customers.

Values	***Philosophy***
Accountability	• Provide leadership and set high expectations.
	• Measure and report on our performance at all levels of the ministry.
Quality Service	• Be accessible and responsive to our customers.
	• Provide excellent service.
	• Build and support partnerships with key customers.
Innovation	• Seek new ways of doing business and explore new technologies.
Integrity	• Behave with integrity toward customers and protect their confidential information.
	• Respect and trust our colleagues.
Productivity	• Ensure our activities add value.
	• Simplify our processes and activities.
Professionalism	• Commit to excellence and serving the public interest.
	• Promote teamwork and communication.
	• Recognize and celebrate achievement.
	• Pursue learning opportunities and promote personal growth.

Goals, Objectives, Strategies and Results

This section presents the ministry's goals and outlines how specific objectives, strategies, performance measures and targets will move the ministry toward achievement of these goals. The following diagram demonstrates the linkages between the government strategic goals and the goals, objectives and performance measures of the ministry.

Government Strategic Goals

A strong and vibrant provincial economy.

Ministry Mission

The ministry provides fair, efficient and equitable revenue and debt collection that supports public services to meet the needs of British Columbians.

Ministry Goals	Ministry Objectives	Performance Measures / Indicators
1. Maximize voluntary compliance.		Revenue administered without intervention.
	1. Maximize use of new electronic technologies to facilitate ease of transactions.	Revenue received through electronic payments.
	2. Customers understand their obligations and entitlements, and pay the correct amount on time.	On-time tax payments.
2. Collection of all outstanding amounts owed to British Columbians.		Incremental revenue.
		Debt collections.
	1. British Columbians receive the revenue they are due.	Number of audits performed.
		Average assessment per audit position.
	2. British Columbians receive the debt recoveries they are due.	Average recovery per tax collection position.
		Percentage of Total Government accounts receivable more than 90 days overdue.
3. Fair, efficient and equitable administration that meets customers' needs.	1. Improve the tax appeals process for administrative fairness and due process.	Elapsed time from receipt of appeal to final decision.

Government Strategic Goals
Ministry Mission
The ministry provides fair, efficient and equitable revenue and debt collection that supports public services to meet the needs of British Columbians.
Ministry Goals
Ministry Objectives
Performance Measures/Indicators
A strong and vibrant provincial economy.
4. Continuous performance improvement and accountability.
1. Continuously improve and simplify work processes.
Receipt to deposit turnaround time.
Cost per transaction.
Cost to collect $1 of debt.
5. Highly skilled, motivated and innovative employees.
1. Motivated and innovative employees.
Percentage of employees with Employee Performance and Development Plans.
Annual employee survey results (training, morale).

Goal 1: *Maximize voluntary compliance.*

Voluntary compliance is the most efficient and effective means of collecting revenue owed to government. Successful revenue collection depends on voluntary payment of financial obligations, balanced by audit, enforcement and collection activities. Improvements in voluntary compliance result in increased revenue available to support government strategic goals and provision of vital government programs. Providing complete, clear, accurate and timely information to customers to help them understand and meet their financial obligations continues to be a priority for ministry educational and outreach efforts. In addition, the ministry is working to make it easier for customers to make payments through electronic means.

Performance Measure:

Ministry revenue administered without intervention: This outcome measure reports on the percentage of ministry revenue that is identified by the ministry or self-assessed by individuals and businesses, without audit intervention. Seemingly minor increases in performance translate into the potential for millions of dollars in voluntary payments. However, this measure is inter-dependent on the measure assessing collection of incremental revenue (refer to p. 12). When more incremental revenues are assessed, voluntary compliance is lower and when voluntary compliance increases, incremental revenues are lower. Predicted increases in voluntary compliance are predicated on decreases in incremental revenues resulting from changing tax regimes and improved revenue management processes.

Performance Measure	2004/05 Target	2005/06 Target	2006/07 Target	2007/08 Target
Percentage of revenue administered without intervention.	97.8%	97.9%	98.0%	98.1%

Explanatory Information: Revenue includes taxation (social service, fuel, tobacco, property, property transfer, corporation capital, insurance premium, and hotel room), non-taxation (e.g., medical service plan premiums), natural resources (natural gas royalties, petroleum royalties, permits, fees and mineral taxes and royalties) and other revenues (e.g., ruling fees, clearance certificates). Revenue, for the purposes of this measure, does not include personal and corporate income taxes administered by the Canada Revenue Agency on behalf of the Province. Revenue does not include debt recoveries through collection activities. Calculation: Revenue — Incremental Revenue/Revenue.
Trend data: New measure in 2004/05.

Core Business Area: *Revenue Programs; Revenue Services.*

Objective 1: *Maximize use of new electronic technologies to facilitate ease of transactions.*

The ministry is maximizing the use of electronic processes to facilitate payment of monies owed to government. It is expected that voluntary compliance will increase as payment options are expanded. Key strategies include improving online services to businesses and individuals to make it easier to make electronic payments and increasing avenues for customer self-service through online access to information that clarifies tax and debt obligations.

Performance Measure:

Revenue received through electronic payments: This outcome measure is used to track the replacement of physical payments with electronic payments. This measure provides a reasonable indication of the success of e-service initiatives by monitoring the public's use of the suite of electronic options available for tax and other payments.

Performance Measure	2004/05 Target	2005/06 Target	2006/07 Target	2007/08 Target
Percentage of revenue received through electronic payments.	63%	65%	67%	70%

Explanatory Information: Physical payments include cash, cheques and drafts. Electronic payments include electronic funds transfer, electronic data interchange payment from financial payment systems, and credit card payments for non-tax, bill and debt payments. 2006/07 and 2007/08 targets will be revisited to assess the impact of the consolidated revenue management system on performance.
Trend data: Comparable data is not available for past years.

Objective 2: *Customers understand their obligations and entitlements, and pay the correct amount on time.*

This objective supports voluntary compliance by identifying and implementing quality customer service initiatives that promote and respond to customers' needs in order to make it easier for individuals and businesses to identify and meet their financial obligations to government. It is expected that voluntary compliance will increase if there is an understanding and acceptance of these obligations. Key strategies include the provision of information sessions, timely statutory interpretation and ruling services, and multi-channel access to educational materials that provide British Columbians with a clear understanding of their obligations, filing due dates, methods of filing and payment, and contact information for questions. In addition, the ministry will continue to simplify and minimize the burden of compliance, and will improve customer service through the development of a single contact centre to handle the majority of customer interactions for tax and other revenue and benefit programs.

Performance Measure:

On-time tax payments: The ministry tracks the remittance of consumption taxes, rural property tax and mineral, oil and gas taxes and royalties, calculating the percentage that are paid on or before their legislated due date. This outcome measure provides a reasonable indication of taxpayers' understanding of their financial obligations and their willingness to comply with them.

Performance Measure	2004/05 Target	2005/06 Target	2006/07 Target	2007/08 Target
Percentage of on-time tax payments.	85% (restated)	86%	87%	88%

Explanatory Information: The 2004/05 performance target has been restated to include only the on-time returns of those obligated to make a payment and no longer includes nil remitters.
Trend data: Revised measure in 2004/05.

Goal 2: *Collection of all outstanding amounts owed to British Columbians.*

The ministry undertakes audit, enforcement and collection activities in order to recover outstanding monies owed to British Columbians, and to promote fairness and equity by leveling the playing field for the majority of taxpayers who are meeting their financial obligations voluntarily. These activities assist in identifying monies owed, ensure amounts owed are collected, deter customers who might otherwise avoid paying, and educate taxpayers and debtors on their obligations. The education of taxpayers and debtors on their obligations and the deterrent effect of audits also contribute to increasing voluntary compliance (Goal 1). Successful audit, enforcement and collection activities ensure that monies owed to British Columbians are identified, recovered and made available to address government strategic priorities and deliver vital public programs.

Performance Measures:

The ministry uses two measures to demonstrate the outcomes of the audit, enforcement and collection work performed by the ministry.

Incremental revenue: This outcome measure reports on the amount of revenue, primarily from taxes, identified as owed to government as a result of ministry intervention. Future years' achievements will decline due to changes in the tax regime (e.g., the phase-out of the Corporation Capital Tax for general corporations) and improvements to billing and collection processes that will increase taxpayers' awareness of their financial obligations which should, in turn, result in increased voluntary compliance.

Debt collections: This outcome measure reports on the amount of debt recovered through the ministry's collection activities. Performance over the next three years will be impacted by more effective business processes supporting the consolidation of debt portfolios, the consistent application of early intervention across collection portfolios and the transfer of debt portfolios from other ministries to the Ministry of Provincial Revenue. Over time, the trend in debt collections will be one of decline as outstanding debt is collected and voluntary compliance increases.

Performance Measures	2004/05 Target	2005/06 Target	2006/07 Target	2007/08 Target
Incremental revenue.	$240.3 M	$225.6 M	$211.3 M	$210.7 M
Debt collections.	$298 M	$324 M	$295 M	$312 M

Trend data: New measures in 2004/05.

Core Business Area: *Revenue Programs; Revenue Services.*

Objective 1: *British Columbians receive the revenue they are due.*

This objective focuses on identifying revenues owed to British Columbians and ensuring that taxpayers understand and meet their financial obligations. The ministry's audit program undertakes compliance and enforcement activities to ensure individuals and businesses are meeting legislated requirements. The ministry focuses efforts in those areas where non-compliance is highest. Audit selection size and content varies from the review of grants, tax expenditure and exemptions and compliance with legislation, to the examination of financial records and legal documents. A substantial amount of revenue is derived from out-of-province audit assessments to ensure that British Columbia businesses are not at a tax disadvantage compared to their out-of-province counterparts operating in the province. Key strategies include adequate resourcing of the tax audit and enforcement functions, continued improvement to the timeliness of assessment practices, and improved collaboration and accountability across jurisdictions to pursue joint tax enforcement activity.

Performance Measures:

The ministry uses two measures to demonstrate its commitment to implementing an audit and enforcement program that supports British Columbians in receiving the revenue they are due. These measures are used to assess overall and average ministry activity for the purposes of setting strategic direction and expenditure/resource allocation, but are not used to monitor individuals' performance.

Number of audits performed: This output measure provides a reasonable indication of the level of effort the ministry is employing to support this objective. The slight decrease in the number of audits to be performed over the three years of this plan reflects the reallocation of some auditors to portfolios requiring increased effort, with the result being fewer audits performed. This reallocation provides an opportunity for auditors to focus on other areas of non-compliance.

Average assessment per audit position: This measure tracks the success of the audit program in identifying monies owed to government.

Performance Measures	2004/05 Target	2005/06 Target	2006/07 Target	2007/08 Target
Number of audits performed.	170,000	168,000	168,000	166,000
Average assessment per audit position.	$525,000	$525,000	$525,000	$525,000

Explanatory Information: Average assessment per audit position is calculated by dividing the gross incremental revenue resulting from the tax audit function by the average number of auditors.
Trend data: Number of audits performed — 167,018 (2001/02); 194,104 (2002/03); 184,441 (2003/04).
Average assessment per audit position — $744,506 (2001/02); $1.1 M (2002/03); $924,000 ($645,505 when extraordinary recoveries removed; 2003/04).

Objective 2: *British Columbians receive the debt recoveries they are due.*

The ministry undertakes collection activities to obtain repayment of outstanding amounts owed to British Columbians. The ministry's success in collecting outstanding debt reduces overdue receivables and provides funding for government programs. Key strategies include focusing resources on collection activity and continuing to improve revenue recovery tools and approaches.

Performance Measures:

Average recovery per tax collection position: This measure tracks the success of the tax collection program in recovering monies owed to British Columbians and is a reasonable indicator of the level of resources focused on tax collection activity. As voluntary compliance increases over time and outstanding debt is collected, the average recovery per tax collection position will decline. This measure formerly addressed both tax and non-tax collection

but has been modified to reflect on the effectiveness of ministry tax collection activities. Performance of the ministry's private sector partner in relation to debt collection is reported as part of the ministry's debt collections target (refer to p. 12).

Total government accounts receivable more than 90 days overdue: This outcome measure reports on the percentage of debt owed to government that is over 90 days past due. As the ministry is not directly responsible for all government receivables, the success it achieves in reducing the overdue debt under its administration contributes to improvement in the overall measure. The ministry is focusing on reducing outstanding receivables and cost effective debt collection (see Goal 4).

Performance Measures	2004/05 Target	2005/06 Target	2006/07 Target	2007/08 Target
Average recovery per tax collection position.	$3.75 M (restated)	$3.29 M	$2.95 M	$2.98 M
Percentage of total government accounts receivable more than 90 days overdue. (*see note below)	40%	41%	41%	41%

Explanatory Information: Average recovery per tax collection position — the ministry has forecast debt recoveries over the three years of this service plan and calculated the combined staff for tax collections as at March 31, 2004 to produce the average recovery per tax collection position. The 2004/05 target has been restated to reflect tax and natural resource collections only. *Percentage of total government accounts receivable more than 90 days overdue — performance reporting is provided by the Office of the Comptroller-General; 2006/07 and 2007/08 targets will be revisited to assess the impact of the consolidated revenue management system on performance.
Trend data: Average recovery per tax collection position — $4.79 M (2001/02); $4.9 M (2002/03); $4.3 M (2003/04). Total government 90-day account receivable ratio — 40.3% (2001/02); 36.5% (2002/03); 40.0% (2003/04).

Goal 3: *Fair, efficient and equitable administration that meets customers' needs.*

The ministry is committed to meeting customers' needs by improving the regulatory and administrative frameworks for tax and debt collection. The ministry will continue to streamline and simplify processes to ease the administrative burden on taxpayers and will review the province's tax system to identify potential reforms that would maintain or enhance British Columbia's tax competitiveness. The ministry will work with a private sector partner to consolidate accounts receivable systems across government to improve revenue and debt administration and management in the province. This includes the consistent application of policies and procedures and the provision of current, accurate information on financial obligations. In addition, the ministry will identify and implement opportunities for deregulation and regulatory reform[3] and reduce the time it takes to resolve an appeal by a taxpayer.

[3] See Related Initiatives and Planning Processes (p. 19).

Core Business Area: *Executive and Support Services.*

Objective 1: *Improve the tax appeals process for administrative fairness and due process.*

This objective reflects the ministry's commitment to provide taxpayers with an impartial, fair and timely resolution to their appeals of tax assessments. Key strategies include identifying and implementing process improvements to reduce the time it takes to produce a tax appeal final decision and monitoring the incoming volume of appeals to ensure the allocation of adequate resources to support timely resolution.

Performance Measure:

Elapsed time from receipt of appeal to final decision: This measure tracks the ministry's success in providing a timely resolution to taxpayer appeals, with the goal being continuous improvement.

Performance Measure	2004/05 Target	2005/06 Target	2006/07 Target	2007/08 Target
Elapsed time from receipt of appeal to final decision.	11.4 months	6.0 months	5.0 months	4.5 months

Trend data: 11.4 months (2002/03); 11.7 months (2003/04).

Goal 4: *Continuous performance improvement and accountability.*

The ministry continues to strive for improved performance and customer service. The ministry will encourage creative and innovative solutions that improve operations and enable it to achieve its business objectives.

Core Business Area: *Revenue Programs; Revenue Services.*

Objective 1: *Continuously improve and simplify work processes.*

This objective focuses on providing the maximum benefit to the public through continuous improvement of business processes. A key strategy is to realize business efficiencies through the implementation of an integrated, streamlined business and systems environment that enables consolidated revenue management across government. The ministry will also continue to leverage capacity and economies of scale to increase efficiencies, assess and adopt leading revenue administration and management practices, and compare its performance with other jurisdictional revenue management agencies.

Performance Measures:

Under this objective the ministry has identified performance measures that are reasonable indicators of organizational efficiency. The ministry is committed to improving the performance of billing, receivables and collections functions.

Receipt to deposit turnaround time: The ministry tracks the duration between when a payment is received and when it is deposited to the government's account. Reducing the period of time between the receipt and deposit of funds demonstrates an improvement to the ministry's cash management processes.

Cost per transaction: The ministry is committed to reducing transaction costs. To track progress in this area, the ministry collects transaction cost and volume data and reports on the cost per transaction.

Cost to collect $1 of debt: The ministry is also committed to maintaining efficient processes and procedures to collect debt owed to government. The ministry calculates and reports on the cost to collect $1 of debt.

Performance Measures	2004/05 Target	2005/06 Target	2006/07 Target	2007/08 Target
Receipt to deposit turnaround time.	2 days	Same day	Same day	Same day
Cost per transaction.	$0.83 per transaction	$0.75 per transaction	$0.72 per transaction	$0.68 per transaction
Cost to collect $1 of debt.	$0.07	$0.06	$0.05	$0.05

Explanatory Information: Same day — 95 per cent of all payments will be deposited the same day as received. 2006/07 and 2007/08 targets, for all three measures, will be revisited to assess the impact of the consolidated revenue management system on performance.

Trend data: Receipt to deposit turnaround time — 3 days (2003/04). Cost per transaction — $0.82 (2003/04). Cost to collect $1 of debt — new measure in 2004/05.

Goal 5: *Highly skilled, motivated and innovative employees.*

In order to realize its vision — to be the centre of excellence for revenue and debt collection in government — the ministry relies on the strengths, skills and commitment of its employees. The ministry will continue to support a learning environment with employee development focused on key competencies, leadership development and succession planning. Managing change, and the new roles and responsibilities employees will take on as the ministry enters into a partnership with a private sector firm, will also be a priority. The ministry will continue to assess the level of employee engagement using the results of employee surveys.

Core Business Area: *Revenue Programs; Revenue Services; Executive and Support Services.*

Objective 1: *Motivated and innovative employees.*

This objective reflects the ministry's commitment to fostering a work environment that makes it an employer of choice; attracting, developing and retaining highly skilled, motivated and innovative employees who support the continued achievement of the ministry's goals and business objectives.

A key strategy is to implement a Human Resource Plan (HRP) that supports the strategic direction of the government corporate human resource plan and addresses ministry priorities. As an effective people strategy, the HRP will identify strategies to provide employees with opportunities to develop the knowledge and skills they need to do their work and advance in their careers, build a common understanding of ministry roles, purpose and vision, develop leaders, and encourage an innovative and creative workplace that supports the continued achievement of business objectives in a changing environment.

Performance Measures:

Under this objective the ministry has identified performance measures to assess its effectiveness in developing highly skilled, innovative and motivated employees whose dedication to excellence is the foundation for achievement of business objectives.

Employee Performance and Development Plans: Achieving the ministry vision requires employees to understand how their performance and development contributes to the achievement of ministry service plan goals and objectives. To support this understanding each permanent employee, who has been in their position for six or more months, will have an individualized Employee Performance and Development plan (EPDP).

Training and development: The level of employee satisfaction with training and developmental opportunities is used to assess the ministry's effectiveness in achieving this objective. The goal is to maintain, in a time of significant organizational change, the level of satisfaction achieved in the 2003/04 annual ministry employee survey.

Employee morale: Since the ministry's creation, the high level of employee morale has contributed to the ongoing achievement of ministry performance objectives. The goal is to maintain the high level of morale reported in the 2003/04 annual ministry employee survey.

Performance Measures	2004/05 Target	2005/06 Target	2006/07 Target	2007/08 Target
Percentage of employees with Employee Performance and Development Plans within six months of permanent employment.	85%	100%	100%	100%
Employee satisfaction with training and development opportunities.	73% in 2003/04	Maintain 2003/04 Employee Survey baseline		
Employee morale.	78% in 2003/04	Maintain 2003/04 Employee Survey baseline		

Explanatory Information: Data for the latter two measures are obtained from the annual ministry employee survey. Satisfaction with training and development opportunities — index based on percentage of employees who indicated they either strongly agree or agree with statements about identification of training needs, ability to develop and apply skills, get training required to do their job and receive support for career development; Employee morale — index based on percentage of employees who indicated they either strongly agree or agree to statements about their job satisfaction, leadership, advancement opportunities, recognition, performance expectations, work environment, teamwork, innovation, workload, and training and development.

Trend data: Percentage of employees with EPDP — 76% (2002/03); 95% (2003/04); trend data reflects Employee Development and Learning Plans; performance plans (EPDP) will be added in 2005/06. Training and development — 65% (2002/03); 73% (2003/04); Employee morale — 76% (2002/03); 78% (2003/04).

Related Initiatives and Planning Processes

Deregulation and Regulatory Reform

The ministry is committed to streamlining and simplifying the taxation system in support of the government deregulation and regulatory reform initiative.

Since the start of the deregulation program in June 2001, the ministry's efforts have resulted in a significant reduction in the amount of information required of taxpayers. For example, the ministry has eliminated unnecessary procedures, forms, licenses and regulations, reduced reporting burden by consolidating reporting requirements and reducing duplication, and has made it easier, faster and more efficient for businesses to deal with several levels of government.

The following provides several examples of the ministry's most significant deregulation and regulatory reform initiatives for the period of this service plan.

- **Zero per cent increase to regulatory burden through 2007/08.** At a minimum, the ministry will maintain regulatory requirements at the June 2004 baseline.
- **Deregulation.** The ministry will continue to focus on improving customer service by streamlining reporting requirements and making the completion of required forms easier. The ministry's forms will continue to be monitored and reviewed to maintain the benefits that have been achieved over the last three years. New forms will only be introduced after careful scrutiny to ensure that as few regulatory requirements as possible are introduced.
- **Regulatory reform.** The ministry has identified several opportunities for regulatory changes and business process improvements that will result in improved customer service. For example, over the next three year period, the ministry will develop and implement regulatory changes to resolve grace period variances and consolidate the number of interest rate schedules used for the calculation of interest on the late payment of financial obligations. The application of consistent policies and procedures will reduce confusion and increase fairness and equity for taxpayers. Proposed amendments to the Petroleum and Gas Royalty and Freehold Production Tax Regulation will reduce the regulatory and reporting burden on oil producers and increase the accuracy of returns, while the introduction of an electronic filing option will facilitate ease of payment.

Overviews of the Human Resource Plan and the Information Resource Management Plan

The ministry's Human Resource Plan (HRP) and Information Resource Management Plan (IRMP) support the achievement of all ministry goals. Overviews of these plans are available on the ministry website at http://www.rev.gov.bc.ca/budget/hrp.pdf (HRP) and http://www.rev.gov.bc.ca/budget/irmp.pdf (IRMP).

Appendix

Glossary

Accounts receivable/debt — amounts claimed by the Province against debtors.

Tax assessments — a written notice from government of an amount owed to the Province. This notice represents monies that should have been remitted or paid to the Province, as well as, any penalty or interest charges imposed by the Province.

Audit — an examination of an individual's or business' financial records or accounts to ensure that the amounts owed have been collected and remitted, or paid as required.

Billing — the act of notifying an individual or business of an amount owed to the Province.

Collections — remedial actions employed by the Province to effect a payment from an individual or business on an overdue account receivable.

Incremental revenue — monies identified by, or remitted in response to, audit and enforcement activities.

Overdue — an account receivable for which no monies have been remitted and is considered overdue according to the legislation at issue.

Penalty — a fine imposed for an offence against the legislation at issue (most commonly assessed for non-remittance of taxes).

Recoveries — monies recovered in the course of administering accounts receivable.

Remittance — the payment of monies to meet a financial obligation.

Refund — return of monies remitted in error or in excess of an account receivable.

Revenue — all monies received to meet financial obligations or identified as owed to the Province.

Tax expenditure — the reduction in tax revenues that results when government programs or benefits are delivered through the tax system rather than reported as budgetary expenditures. Tax expenditures are usually made by offering special tax rates, exemptions or tax credits to program beneficiaries.

Transaction — the act of processing a cheque or scanable coupon for the purpose of applying payment to an account receivable.

Voluntary compliance — when taxpayers meet their financial obligations without requiring the Province to effect payment.